

ANNUAL FINANCIAL REPORT

Frequently Asked Questions
County Auditor Spring Conference 2020



Changes

- Memo issued on April 27, 2020 – Enhanced Regulatory Delays
Available on SBOA website
- Changes made to the AFR for 2019 will continue
 - Will audit on regulatory basis and not enhanced regulatory
- Changes proposed for the AFR for 2020 will be postponed.



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Financial Data by Fund

- The beginning balance is rolled forward from the ending balance of the prior year's report
- If you upload financial data, the upload will overwrite the BB
- BB must tie to prior year's report, if it doesn't
 - Determine if variance is significant
 - Determine which balance is correct
 - Document the reason BB does not tie to EB prior year
 - Material amounts may need to be restated with a note disclosure



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Financial Data by Fund

- Use of Standard Funds on Gateway
 - Chart of Accounts
- Use of Custom Funds
 - Local funds and Grant funds
- Special Cases
 - MVH and MVH Restricted should be shown separately on the AFR
 - CAGIT, COIT, LOIT funds should not be used any longer
 - Reassessment Fund – should only be one Fund 1224
 - E911 Funds – should only be one Fund 1222
 - Child Advocacy Fund 1115 should not be used



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Receipt and Disbursement Accounts

- Chart of Account Instructions
- Major Classifications
 - Receipts:
 - Taxes, Licenses and permits, Intergovernmental, Charges for services; Fines and Forfeitures, Other Receipts
 - Disbursements:
 - Personal Services, Supplies, Other Services and Charges, Debt Service, Capital Outlays, Other Disbursements
- Minor Classifications



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Receipt Classifications

- TAXES – Includes property taxes, income taxes (LIT), use taxes and any other taxes imposed by the county.
 - SPECIAL ASSESSMENTS – Drainage Assessments, Barrett Law Assessments
- INTERGOVERNMENTAL – Revenues from other governments
 - Operating grants, Capital grants, Excise taxes, FIT, CVET, MVH, LRS



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Receipt Classifications

- License and Permits
 - Gun permits, Building permits, Health department permits
- Charges for services
 - Certification fees, copy fees, Landfill fees
- Fines and Forfeitures
 - Court costs and fees, Ordinance violations



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Receipt Classifications

- Other Receipts
 - Interfund Loans
 - Other Financing Sources
 - Interfund Transfers In
 - Proceeds from Sale of Assets
 - Proceeds of Long-term debt
 - Investment Earnings
 - Contributions
 - Other Receipts



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Disbursement Classifications

- Personal Services
 - Salaries and wages; Employee Benefits;
- Supplies
 - Items that are consumed or deteriorated through use
- Other services and Charges
 - Contracted Professional Services, Communication, Transportation, printing, insurance, utilities, repairs and maintenance, rentals, dues



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Disbursement Classifications

- Capital Outlays
 - Land, Improvements, Buildings, Equipment and Infrastructure
- Deductions
 - Agency Funds such as Payroll Withholding and Settlement Funds
- Other Financing Uses
 - Transfers and Inter-fund Loans; Purchase of Investments
- Debt Service
 - Principal and interest payments



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Correction of Financial Records

- Accounting and Uniform Compliance Guidelines Manual, Chapter 1
 - When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date that the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction.



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Correction of the Annual Financial Report

- If you determine an error in the AFR after submission, you can un-submit the AFR to make your correction.
- If the audit team notifies you of an error in the AFR that they recommend needs to be corrected, you can un-submit the AFR to make the correction.
- Remember, if you un-submit the AFR, you must again submit the AFR to post the AFR back to the public side of Gateway
- Once the exit has been conducted after the audit
 - The AFR is locked and can't be un-submitted



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Correction of Annual Financial Report



System Functions		Status
Annual Report Outputs	Reports may be viewed as PDFs or Excel spreadsheets.	Available
Review Submission	Review any submission errors or warnings.	
Un-Submit Annual Report	Un-submit the annual report to SBOA and print Attestation Form.	Submitted 10/22/2013 8:12:00 AM



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Transfers

- If you answer 'yes' to the unit question about interfund transfers, you will have a schedule to complete on the transfers.
- The schedule will allow you to select the fund from which the transfer was taken and the select the fund to which the amount was sent.
- There is one box for the amount that was transferred
- You can aggregate the amount between the same funds



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OPEB

- Other Post Employment Benefits are the benefits that are paid after the period of employment if the employee meets certain requirements similar to pension benefits.
- May include health coverage, death benefits, life insurance and disability insurance
- Does not include pension benefits, termination benefits or payments
- COBRA is not OPEB



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OPEB Required Information

- Name of the plan
- Type of plan
 - Defined Benefit – specifies coverage
 - Defined Contribution – only pays what was contributed
- Coverage under the plan
- Administrator of the plan
- Participants – inactive are no longer on payroll
- Actuarial Information, if available



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OPEB Contribution Rate

- Employer's rate is the rate the employer pays into the plan
- Employee's rate is the rate the employee pays into the plan
- Annual Covered Payroll is the total cost of the payroll for all employees eligible for this plan
- Cost Method
 - Pay as you go means you are not prefunding this plan
 - Other contribution funding policy should be specified in plan documents.



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Supplemental AFR Reports

- Financial information for any funds of the county that are not maintained on the County funds ledger
 - Sheriff Commissary
 - Jail Inmate Trust and Juvenile Detention Trust
 - Clerk Trust
 - Clerk Child Support
 - Tourism funds if there is a separate treasurer
 - County Home Resident Trust
 - Treasurer After Settlement Collections



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Review of Supplemental Reports

- Beginning Balance should agree with prior year's ending balance
- Receipts and Disbursements should be reasonable
- Supplemental Report Amounts should be reviewed and traced back to actual report after they are entered
- Request these reports from the offices and departments
 - Supplemental Forms are available on the SBOA website
 - Due back to Auditor's office by January 20th
 - Instructions for completing the Supplemental Report is also found on the website.



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Resources

- Ricci Hofherr and Lori Rogers, Directors
- Directors of Audit Services for Counties
 - (317) 232-2512
 - Counties@sboa.in.gov
- Gateway Helpdesk
 - Gateway@sboa.in.gov



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